FOURTH REPORT | FOURTH SESSION | THIRTY-NINTH PARLIAMENT

Annual Review of the Budgets of the Independent Legislative Offices

Select Standing Committee on Finance and Government Services

LEGISLATIVE ASSEMBLY
PROVINCE OF BRITISH COLUMBIA

DECEMBER 2012

December 17, 2012

To the Honourable
Legislative Assembly of the
Province of British Columbia

Honourable Members:

I have the honour to present herewith the Fourth Report of the Select Standing Committee on Finance and Government Services for the fourth session of the 39th Parliament.

This Report covers the work of the Committee related to its annual review of the budgetary estimates of the independent legislative offices, and was approved unanimously by the Committee.

Respectfully submitted on behalf of the Committee,

Douglas Horne, MLA
Chair

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Composition of the Committee

Members

Douglas Horne, MLA	Chair	Coquitlam-Burke Mountain
Mable Elmore, MLA	Deputy Chair	Vancouver-Kensington
Bill Bennett, MLA*		Kootenay East
Gary Coons, MLA		North Coast
Marc Dalton, MLA		Maple Ridge-Mission
Doug Donaldson, MLA*		Stikine
Dave S. Hayer, MLA		Surrey-Tynehead
John Les, MLA		Chilliwack
Pat Pimm, MLA		Peace River North
Bruce Ralston, MLA		Surrey-Whalley
Bill Routley, MLA		Cowichan Valley
John Slater, MLA		Boundary-Similkameen
Dr. Moira Stilwell, MLA*		Vancouver-Langara
Jane Thornthwaite, MLA*		North Vancouver-Seymour

*Committee Member to September 17, 2012

Clerk to the Committee

Kate Ryan-Lloyd, Deputy Clerk and Clerk of Committees

Research Staff

Josie Schofield, Manager, Committee Research Services

Byron Plant, Committee Research Analyst

Terms of Reference

On October 3, 2011, the Legislative Assembly agreed that the Select Standing Committee on Finance and Government Services be empowered:

2. a) To consider and make recommendations on the annual reports, rolling three-year service plans and budgets of the following statutory officers:

    i. Auditor General

    ii. Chief Electoral Officer

    iii. Conflict of Interest Commissioner

    iv. Information and Privacy Commissioner

    v. Merit Commissioner

    vi. Ombudsperson

    vii. Police Complaint Commissioner

    viii. Representative for Children and Youth; and,

    b) To examine, inquire into and make recommendations with respect to other matters brought to the Committee's attention by any of the Officers listed in 2(a) above.

3. That the Select Standing Committee on Finance and Government Services be the committee referred to in sections 19, 20, 21 and 23 of the Auditor General Act and that the performance report in section 22 of the *Auditor General Act* be referred to the committee.

In addition to the powers previously conferred upon the Select Standing Committee on Finance and Government Services, the committee shall be empowered:

a. to appoint of their number, one or more subcommittees and to refer to such subcommittees any of the matters referred to the Committee;

b. to sit during a period in which the House is adjourned, during the recess after prorogation until the next following Session and during any sitting of the House;

c. to adjourn from place to place as may be convenient; and

d. to retain personnel as required to assist the Committee,

and shall report to the House as soon as possible, or following any adjournment, or at the next following Session, as the case may be; to deposit the original of its reports with the Clerk of the Legislative Assembly during a period of adjournment and upon resumption of the sittings of the House, the Chair shall present all reports to the Legislative Assembly.

Meetings Schedule

To conduct its annual review, the Select Standing Committee on Finance and Government Services (the Committee) scheduled public meetings in Victoria on November 14 and 20, 2012 with the eight officers who head the independent legislative offices. On November 20, the Committee also met in-camera to deliberate on the recommendations to be presented to the Legislative Assembly.

November 14, 2012	Auditor General
	Merit Commissioner
	Conflict of Interest Commissioner
	Police Complaint Commissioner
November 20, 2012	Elections BC
	Information and Privacy Commissioner
	Representative for Children and Youth
	Ombudsperson
	Deliberations
December 14, 2012	Appointment of Independent Auditor of Accounts of Auditor General

Minutes and transcripts of the Committee's public meetings, as well as an electronic copy of this report, are available through the parliamentary committees' website at: www.leg.bc.ca/cmt/

Office of the Auditor General

> *"My budget for this year and for the next couple of years is basically a continuation of what I've been doing over the last few years …"* (John Doyle, Auditor General of British Columbia)

Background

The Auditor General, an officer of the Legislature under the authority of the *Auditor General Act*, is the independent auditor of the provincial government. Reporting directly to the Legislative Assembly, the Auditor General provides audit assessments about the fairness and reliability of the financial statements and public accounts of the government. The Auditor General also assesses the operations and performance of government programs and services.

Vote 2 of the annual *Estimates* provides for the office's operating expenses and capital expenditures. Last year, the Committee recommended that the annual operating budget be $15.752 million in each of the next three fiscal years. The annual budget for capital spending was set at $280,000 for 2012/13, and $150,000 for each of 2013/14 and 2014/15.

2013/14 Estimate of Resources

On November 14, 2012, the Committee met to review the office's estimate of resources for the next three fiscal years. In attendance were John Doyle, Auditor General; Russ Jones, Assistant Auditor General; Joel Adams, Manager of Finance; and Marc LeFebvre, Executive Director of Human Resources and Administration.

The Auditor General began the presentation by reporting that requirements to comply with generally accepted auditing standards, international financial reporting standards, and international standards for audit require continuous staff training. In addition, the Committee heard how a lot of time has been consumed assisting government entities in making the transition to the accounting standards issued by the Public Sector Accounting Standards Board.

Next, the Auditor General discussed the impact of changing demographics on staffing. He stated that a number of employees have retired and roughly 50 percent of the current staff have been hired within the past three years. A number of leaves for maternity have also taken place, putting pressures on office resources. The Auditor General noted that the office is looking for a degree of stability moving forward so staffing costs can be more accurately predicted.

The Auditor General then discussed future infrastructure demands, particularly the need to relocate the main office located in Bastion Square. It was explained that the lease is set to expire in November 2014, at which time the building must be vacated to allow for renovations. Members heard how higher lease costs are expected in the future, whether the decision is made to move to a new location or to return to the existing space following the completion of renovations. The Committee was

presented with several options regarding the proposed move to a new building. In total, $16.135 million was requested to cover operating expenses in 2013/14, a 2.4 percent increase over the amount approved for the current fiscal year.

The capital budget was discussed last. The Committee learned how the capital budget request of $200,000 reflects costs associated with upgrading and meeting information technology and infrastructure needs, such as replacements of laptops and other computer equipment.

Committee Inquiry

The committee inquiry focused on the proposed move of the office, information technology upgrades, and issues relating to staff training and retention. Other questions concerned the appropriations of the other legislative audit offices, the budget for legal services, and the application of accounting standards to universities and colleges.

Proposed Move

The Auditor General was asked about the time frame for moving out of the current Bastion Square location, including whether the price of the lease was negotiable and if other options existed to bring costs down. In response, he stated that the move must occur by November 2014 and that there is a possibility for negotiating a better price. The Committee also learned that there would be penalties if the lease for the current location was terminated early.

IT Upgrades

The Chair inquired about proposed information technology expenses as well as the increased capital budget request. The Auditor General explained that information technology, such as videoconferencing, helps to reduce travel expenses. He also stated that the office has a rolling program for computer replacements and that work is being done to update servers and to upgrade software for records management and SharePoint applications.

Staff Training and Retention

Questions were posed about staff training and retention, including the number of people hired who later move into the public sector. The Executive Director of Human Resources and Administration stated that the office has a fairly sophisticated workforce model and that the rate of turnover has been decreased by about half in four years. He also noted that the office is the only one that trains chartered accountants in government, has active relationships with ministries, and makes use of secondment arrangements.

In response to a question about the competitiveness of salary and benefits of the office with the private sector, the Auditor General explained that levels are comparable at trainee levels, but gaps increase at management levels and above.

Conclusions and Recommendations

The Committee supports the proposed move of the Office of the Auditor General and approves a 2 percent increase in the operating budget to facilitate relocation of the Bastion Square location in November 2014. The Committee also authorizes a continuation of the planned capital budget amount authorized in last year's report.

The Committee recommends that:

- the annual appropriation for the operating expenses of the Office of the Auditor General be $16,070,000 in each of the next three fiscal years;
- the Office of the Auditor General receive capital expenditures of $150,000 in each of the next three fiscal years.

Other Matters

Independent Audit of Accounts of Auditor General

The terms of reference, approved by the House on October 3, 2011, identify the Select Standing Committee on Finance and Government Services as the committee of the Legislative Assembly referred to in section 23 of the *Auditor General Act*. Section 23(2) specifies that during the first session of each Parliament of British Columbia, the committee must appoint an independent auditor to audit the financial statements of the Auditor General for each of the fiscal years to be completed during the term of the Parliament. An auditor appointed under section 23(2) may also audit the appropriateness and reliability of the performance information contained in the annual report of the Auditor General.

At the meeting on March 7, 2012, the Committee assigned the Chair and Deputy Chair the task of preparing a Request for Proposal (RFP) package for selecting an independent auditor. Approved by the Committee at the September 17, 2012 meeting, the RFP was posted on the BC Bid website on September 27, 2012 and accounting organizations were also notified.

Two proposals to conduct financial statement audits and annual report audits were received by the deadline (November 16, 2012). The Chair and Deputy Chair evaluated the bids on behalf of the Committee and presented their recommendation to the entire Committee for its approval on December 14, 2012.

Committee Decision

Pursuant to section 23(2) of the *Auditor General Act*, the Committee appoints Grant Thornton LLP as the independent auditor of the accounts of the Auditor General of British Columbia for the fiscal year ending March 31, 2013, and for each of the fiscal years to be completed during the term of the 40th Parliament.

Office of the Conflict of Interest Commissioner

> *"We have in this period of time the ability to be able to look into the future to some extent and realize that, for the fiscal period which is about to begin on April 1, there are expensive items, at least on the horizon."* (Paul Fraser, QC, Conflict of Interest Commissioner for British Columbia)

Background

As an officer of the Legislative Assembly appointed under the *Members' Conflict of Interest Act*, the Conflict of Interest Commissioner performs three separate but related roles that include: advising Members of the Legislative Assembly on their obligations for conduct; meeting with MLAs at least annually to review the disclosures of financial interests and the general obligations imposed by the Act; and providing opinions in response to requests from MLAs or members of the public respecting compliance or alleged contraventions of the Act.

The yearly appropriation for the office is provided under Vote 3 of the annual *Estimates*. Last year, the Committee recommended that the annual operating budget be $480,000 in each of the next three fiscal years.

Budget Proposal Fiscal Years 2013/14 – 2015/16

The office's budget proposal covering the next three fiscal years was reviewed by the Committee on November 14, 2012. In attendance were Paul Fraser, Conflict of Interest Commissioner; and Daphne Thompson and Linda Pink, Executive Coordinators.

The Commissioner began the presentation by reviewing changes to office staffing. The Committee learned that Ms. Pink has been hired as Executive Coordinator to replace Ms. Thompson, who is retiring after working in the office since 1994.

Next, the Commissioner reported that the office is currently forecasting a cost overrun of $50,000 for 2012/13 as a result of costs relating to the review of the *Members' Conflict of Interest Act*, the coordinator's retirement, and the conversion of a contracted administrative assistant to a permanent 0.6 FTE position. The Commissioner also mentioned additional costs relating to the transition to the new Members' disclosure forms.

Turning to the operating budget request of $560,000 for the coming fiscal year, the Commissioner outlined potential costs, which include fulfilling a request for a formal opinion, providing services for new MLAs elected in the 2013 provincial general election, and implementing possible statutory changes. It was also observed that additional ongoing expenses are anticipated from the re-classification of the administrative assistant and possible increases to the Commissioner's salary, which is tied to the salary of the Chief Judge of the Provincial Court.

Committee Inquiry

The committee inquiry focused on the budget line item for "other expenses", the request for a formal opinion, and expenses relating to travel and the maintenance of a satellite office in Surrey. Other topics raised included services for outgoing MLAs and the budget for statutory advertising and publications.

STOB 85 "Other Expenses"

The Commissioner was asked why the request for $50,000 in the 2013/14 budget was listed under STOB 85 "Other expenses" rather than broken down within specific budget line items. The Commissioner stated that the total amount requested for salary and benefits going forward is $416,000 and that there is some confusion on the reporting as a result of Ministry of Finance definitions of standard objects of expenditure, particularly around "professional services".

Request for Formal Opinion

Members also queried whether the recent request for a formal opinion would be covered in the current budget or be carried over into 2013/14. The Commissioner replied that it is possible that the request could carry over into the next fiscal year and be part of the $50,000 request for "other expenses."

Travel and Surrey Office Expenses

Asked about the projected increase in the operating budget for travel costs, the Commissioner explained that the travel budget is mostly used for ferry travel between Victoria and the Lower Mainland, along with some expenses for conferences. A question was also posed about the satellite office in Surrey. The Commissioner stated that it is unstaffed and available for meetings with Members in the Lower Mainland, and has helped to reduce other travel costs.

Conclusions and Recommendations

The Committee acknowledges the important work performed by the Office of the Conflict of Interest Commissioner and is prepared to approve a small increase in the budget plan, but not the request for unconfirmed "other expenses" at this time of fiscal restraint.

The Committee recommends that:

- the annual appropriation for the operating expenses of the Office of the Conflict of Interest Commissioner be $510,000 in each of the next three fiscal years.

Elections BC

"The work of Elections BC is unique amongst the independent officers of the Legislature in that so much of it is focused on the delivery of events. Therefore, there tend to be spikes in our activity in conjunction with these peak event-delivery requirements. Fiscal 2013/14, a year of a general election, is an example of a year in which these spikes are most pronounced." (Dr. Keith Archer, Chief Electoral Officer of British Columbia)

Background

Elections BC is an independent, non-partisan office responsible for administering provincial general elections, by-elections, referenda, recall petitions, initiative petitions and initiative votes, and other aspects of the provincial electoral process. The Chief Electoral Officer, an officer of the Legislature, is responsible for the administration of the *Election Act* and the *Recall and Initiative Act.*

The appropriation for operating expenses and capital expenditures for Elections BC is provided for under Vote 4 of the annual *Estimates.* Last year, the Committee recommended a budget for ongoing expenses of $8.134 million in 2012/13 and that $35.714 million be provided for event-related funding requirements. The budget for capital expenditures was set at $735,000 in 2012/13; $700,000 in 2013/14; and $1.050 million in 2014/15.

Contingency Funding 2012/13

On September 25, 2012, the Committee met with Elections BC officials to consider a request for additional contingency funding of $1.438 million during the current fiscal year. Members were informed that a reduced amount of $7.1 million was going to be spent on enumeration in advance of the 2013 provincial general election, the result of the removal of the statutory requirement for a residence-to-residence enumeration.

The request for contingency funding included $420,000 for the establishment of an independent panel on Internet voting, as requested by the Attorney General. The Committee was also asked to approve $1.018 million to prepare for a possible Canadian Senate nominee election to be held in conjunction with the 2013 provincial general election.

Committee Decision

After due deliberation, the Committee agreed to approve the expenditure of $420,000 for the independent panel on Internet voting. The Committee also approved, on division, authorization of $1.018 million to enable readiness to conduct a Senate election, broken down into two parts: $250,000 to be authorized before the passage of legislation; and $768,000 to be authorized after the legislation has been passed.

Budget Proposal, 2013/14 – 2015/16

On November 20, 2012, the Committee met to review Elections BC's budget proposal for the next three fiscal years. Representing the office were: Dr. Keith Archer, Chief Electoral Officer; Nola Western, Assistant Chief Electoral Officer, Funding and Disclosure; and Anton Boegman, Assistant Chief Electoral Officer, Electoral Operations.

Three separate budget requests were presented to the Committee, including a stand-pat $8.21 million budget for ongoing core services in 2012/13, the amount approved by the Committee last year. An increased capital budget of $815,000 was also proposed for key information technology development.

Regarding event-related funding, three requests for 2013/14 were presented. The first was funding for enumeration to update the voters list in advance of the provincial general election scheduled for May 14, 2013. The Chief Electoral Officer stated that amendment of the *Election Act* removed the requirement for a province-wide residence-to-residence enumeration. As a result, a lesser amount of $7.538 million over two fiscal years is required to complete a portfolio of other voter registration activities. Under-represented voters – including youth, highly-mobile residents, Aboriginal people, and workers in remote regions – will be particularly targeted during the enumeration.

Next, the Committee was updated on plans for the 2013 provincial general election, which is estimated to cost $32.377 million. Intensive preparations are underway and will continue into the 51-day event cycle, from writ day on April 16 to general voting day on May 14. The bulk of the planned budget is for establishing and staffing the 91 electoral district offices that oversee voting.

Lastly, the event-related funding request for the independent panel on Internet voting was discussed. This five-member panel, chaired by the Chief Electoral Officer, will examine opportunities and challenges related to the potential implementation of Internet-based voting for provincial or local government elections in BC. It was requested that a portion of the panel's $420,000 overall budget – approved as contingency funding by the Committee on September 25, 2012 – be carried over into the next fiscal year.

Committee Inquiry

Topics raised during the committee inquiry included voter fraud, planned enumeration efforts, and proposed expenses for computer upgrades. Other questions were asked about the budgetary allocation for a potential Senate nominee election.

Voter Fraud

Some Members inquired about the possible misuse of robocalling, and what measures can prevent the misdirection of voters. It was explained that, with a fixed election date, it is rare for provincial polling stations to be relocated and steps can be taken to inform voters of any changes through the use of mail outs, advertisements, and staff stationed to assist voters. Other questions probed existing measures used to verify voter identity and place of residence. The Committee learned about types of

identification required to receive a ballot, along with the need for recently-moved voters to complete registration update forms prior to voting. In response to a question about the use of commercial and institutional addresses for registered voters, Members heard how Elections BC undertakes follow-up efforts to ensure that these voters are accurately and completely registered.

Enumeration

Asked about the upcoming enumeration, including the role played by local election officials, the Chief Electoral Officer stated that local district officers have in-depth knowledge of their areas and are working collaboratively with Elections BC to gather information and to develop plans for each district. Enumeration activities will include staffing of registration tables in university campuses and shopping malls, along with possible residence-to-residence enumeration in select Aboriginal communities and new residential developments. The Committee also heard that Elections BC welcomes any efforts from interested organizations or political parties to encourage citizens to update their voter registration information.

Computer Upgrades

The Chair asked questions about budgeting for computer hardware, including upgrades relating to the 2013 provincial general election. In response, the Assistant Chief Electoral Officer, Funding and Disclosure stated that the event-related budget request for the election includes computer hardware. Asked if these computers are to be disposed of as capital asset sales after the election, she explained that the plan was to store them for re-use in the scheduled 2017 election. It was also noted that additional expenses for computer upgrades are included in the ongoing core services budget.

Conclusions and Recommendations

As the province prepares for the 2013 general election, the Committee acknowledges the important work of Elections BC in enhancing civic engagement and combatting voter apathy. Accordingly, the Committee approves the requested funding for operating expenses and planned events. Mindful of the need for fiscal prudence, the Committee appreciates the office's request for a stand-pat budget for operating expenses and encourages efforts to make plans for capital expenditures in line with the amounts approved last year.

The Committee recommends that:

- the annual appropriation for the operating expenses of Elections BC be $8,210,000 in each of the next three fiscal years;
- the appropriation for planned event funding in 2013/14 be $33,125,000;
- the capital expenditures for Elections BC be $700,000 in each of the next three fiscal years.

Office of the Information and Privacy Commissioner; Office of the Registrar of Lobbyists

> *"I know that this committee is charged with making some really tough decisions in light of economic challenges. I accept the responsibility to run my two offices on as lean a basis as possible."*
> (Elizabeth Denham, Information and Privacy Commissioner for British Columbia)

Background

The Office of the Information and Privacy Commissioner is the independent oversight agency responsible for monitoring and enforcing compliance with the *Freedom of Information and Protection of Privacy Act* (FIPPA) and the *Personal Information Protection Act*. An officer of the Legislature, the Information and Privacy Commissioner has a mandate that includes conducting reviews of access to information requests, investigating complaints, monitoring general compliance with the Acts, and promoting freedom of information and protection of privacy principles. The Commissioner is also designated the Registrar of Lobbyists pursuant to the *Lobbyist Registration Act*, and is responsible for overseeing and enforcing the Lobbyist Registry program.

The appropriation for both offices' operating and capital expenditures is provided for in Vote 5 of the annual *Estimates*. Last year, the Committee recommended an annual operating budget of $5.396 million for 2012/13, $5.528 million for 2013/14, and $5.557 million for 2014/15. The capital budget was set at $45,000 for each of those three fiscal years.

Budget Submission, Fiscal Years 2013/14 – 2015/16

The Committee met on November 20, 2012 to review the offices' budget submission for the next three fiscal years. In attendance were: Elizabeth Denham, Information and Privacy Commissioner and Registrar of Lobbyists; Jay Fedorok, Assistant Commissioner; Mary Carlson, Deputy Registrar of Lobbyists; and Shelley Forrester, Executive Director of Corporate Services.

The Commissioner's presentation began with an overview of the work of the Office of the Registrar of Lobbyists in the past year. She reported that 19 investigations were conducted, 14 of which resulted in reports to the Legislative Assembly. In 2013/14, the office will be focusing on providing educational outreach to the charitable sector to ensure that there is compliance with the legislation. The Committee also heard about improvements to be made to the search function of the online Lobbyist Registry to increase public accessibility and usability. No new funds for the Office of the Registrar or Lobbyists were requested for the next fiscal year.

Turning to the Office of the Information and Privacy Commissioner, the Commissioner stated that the office received 515 requests for reviews of access to information decisions by public bodies. Sixty-three formal hearings were also conducted on matters that could not be resolved by mediation.

Next, the Commissioner identified key priorities for the next fiscal year. The first was continued implementation of 2011 changes to FIPPA, which expanded the Commissioner's mandate to include responsibilities relating to the sharing, matching, and linking of personal data for multi-agency programs, and mandatory proactive reviews of whether these programs comply with the Act. Noting that a progress report was provided to the Committee in July, the Commissioner stated that there has been a reduction in the backlog of the caseload for complaints and appeals, along with efforts to enhance public education and to develop a new website. The Commissioner also described her responsibility to monitor the government's new identity-management program, the first phase of which is the BC Services Card. It was reported that this has increased office workload and a staff specialist in information technology is needed.

On the budget proposal for 2013/14, the Commissioner stated that she is seeking $5.656 million for operating expenses, which includes a 4.8 percent increase of $260,000 for salaries and benefits. The request includes funding for the hiring of one additional policy analyst, one senior information technologist, and scheduled increases to salaries for existing union-classified positions. No changes were requested to the annual capital budget.

Committee Inquiry

Topics raised during the Committee's inquiry included privacy impact assessments, privacy protection, FIPPA requests, and the possible introduction of a lobbyist code of conduct.

Privacy Impact Assessments

Questions were asked about reviews of privacy impact assessments for ministries, including whether the office should charge service fees to ministries and if conducting these reviews affects the independence of the office. Noting that the reviews are required by the legislation, the Commissioner stated that she is willing to consider some kind of a chargeback system in the future. For now, however, the office is seeking an additional position to critique data systems architecture.

Privacy Protection

Another topic raised during the committee inquiry was privacy protection, such as the privacy rights of persons engaged in criminal activities and cyber-bullying. The Commissioner explained that current laws allow police authority to collect, use, and disclose personal information if reasonable cause exists to believe there is a crime. This includes access to online information in emergency or exigent circumstances. The Commissioner also talked about the need to protect personal data with the introduction of a new CareCard and BC Services Card.

FIPPA Requests

The Commissioner was asked about requests for information made under FIPPA, such as what measures have been undertaken to process complaints. The Commissioner described how the office triages complaints to manage the caseload more efficiently, and how service providers have been contracted to help reduce the backlog. A question was also posed about the reported increase in the

number of "no records" responses to FIPPA requests. In reply, the Commissioner stated that an audit is underway that will include examinations of whether adequate searches were performed by public bodies.

Lobbyist Code of Conduct

Asked about possibly amending the *Lobbyist Registration Act* to include a code of conduct for lobbyists, the Commissioner explained that the office recently issued a consultation paper on this issue and received comments on the effectiveness of the law. The Committee learned that a report is being prepared that will include suggestions for reform of the Act.

Conclusions and Recommendations

The Committee is cognizant of the increased responsibilities of the Office of the Information and Privacy Commissioner following changes to the *Freedom of Information and Protection of Privacy Act*. Accordingly, the Committee endorses an increase in the annual operating budget for salary and benefits for one of the two requested FTE positions.

The Committee recommends that:

- the annual appropriation for the operating expenses of the Office of Information and Privacy Commissioner be $5,526,000 in each of the next three fiscal years;
- the Office of the Information and Privacy Commissioner be granted capital expenditures of $45,000 in each of the next three fiscal years.

Office of the Merit Commissioner

> *"I now propose a minor increase to our operating budget for 2013/2014 of just under 3 percent. … I consider this a reasonable and fiscally responsible budget request."* (Fiona Spencer, Merit Commissioner for the Province of British Columbia)

Background

The Merit Commissioner is an officer of the Legislature mandated to provide independent oversight and insight into merit-based hiring in the BC Public Service. The Merit Commissioner monitors the principle of merit in appointments as defined in the *Public Service Act*.

The budget of the office is provided under Vote 6 of the annual *Estimates*. Last year, the Committee recommended that the annual operating budget be set at $1.024 million in 2012/13; $1.018 million in 2013/14; and $1.024 million in 2014/15. The Committee recommended an annual capital budget of $15,000 in each of these fiscal years.

Budget Submission Fiscal Years 2013/14 – 2015/2016

The Committee met on November 14, 2012 to review the office's budget submission for the next three fiscal years. In attendance were: Fiona Spencer, Merit Commissioner; and Shelley Forrester, Executive Director of Corporate Services.

The Commissioner began the presentation by highlighting activities in the last fiscal year, beginning with the merit performance audit of 2011 appointments. The Commissioner reported that the audit found that merit was not applied in the selection process for 8.5 percent of appointments examined, a level well above any such findings in the past. The Committee learned that efforts are being made in the Public Service Agency to address these matters and to improve practices.

Two special audits of corporate hiring pool practices were discussed next. The Commissioner stated that while related appointments were found to be based on merit, the audit identified exceptions to policy or legislative requirements. Accordingly, the Public Service Agency has suspended use of these processes until revisions can be introduced. Members also heard about requests for final-level reviews of staffing decisions. Of the 16 reviews undertaken, three appointments were found to not comply with merit and the deputy minister was directed to reconsider the decision in these cases.

Turning to priorities for the current and next fiscal year, the Commissioner stated that merit performance audits will continue to be completed. Three areas have also been identified for special audit or study: an audit of temporary appointments that have exceeded the intended seven-month time frame; a study of the assessment tool referred to as behavioural event interviewing; and a special study of direct recruitment, the permanent appointment of individuals from outside the public service into entry-level positions without an assessment of relative merit.

On the budget proposal for 2013/14, the Commissioner proposed a 2.9 percent increase for the operating budget to accommodate the part-time return of a staff member on maternity leave and to cover increases to salary and employee benefit costs. A total of $1.054 million was requested for operating expenses and $15,000 for the capital budget.

Committee Inquiry

The committee inquiry focused on the results of the merit performance audit covering appointments made in 2011. Other questions were asked about diversity within the public service and the Commissioner's ability to examine other types of appointments.

Merit Performance Audit Results

Members inquired about the processes used to identify cases for audit and to determine whether selections were merit-based. The Commissioner stated that the audit, based on a random sample of appointments from BC Stats, found instances of candidates being added to a competitive process without application. Errors were also recorded in adding test scores, calculating years of continuous service, and shortlisting candidates. When asked about the repercussions of the audit results, the Commissioner stated that findings of merit not being applied are reported to the appropriate deputy minister for a response.

Other concerns were raised about the increased findings of merit not being applied, including whether it reflects nepotism or some kind of political "jiggery-pokery". The Commissioner responded that there was no evidence that individuals were appointed without adequate qualifications. Members also heard that most of the findings were the result of mistakes and the improper application of policies.

Conclusions and Recommendations

The Committee is supportive of the important work of the Office of the Merit Commissioner and endorses a modest increase in the operating budget and a stand-pat capital budget.

The Committee recommends that:

- the annual appropriation for the operating expenses of the Office of the Merit Commissioner be $1,039,000 in each of the next three fiscal years;

- the Office of the Merit Commissioner receive capital expenditures of $15,000 in each of the next three fiscal years.

Office of the Ombudsperson

> *"I would like to say to the Committee that I believe we are delivering quality results at all levels. Our systemic investigations are producing significant positive outcomes. Our approach to operations is a lean approach."* (Kim Carter, Ombudsperson for the Province of British Columbia)

Background

An independent officer of the Legislature, the Ombudsperson provides oversight of the administrative fairness of the policies and practices of public authorities. The Ombudsperson may investigate, either in response to a specific complaint or on the Ombudsperson's own initiative, the actions and decisions of government bodies.

The appropriation for the office is provided under Vote 7 of the annual *Estimates*. Last year, the Committee recommended that the annual operating budget be $5.372 million in each of the next three fiscal years. The annual budget for capital expenditures was set at $75,000.

Budget Submission Fiscal Years 2013/14 – 2015/16

On November 20, 2012, the Committee met to review the office's budget proposal for the next three fiscal years. In attendance were Kim Carter, Ombudsperson; and Shelley Forrester, Executive Director of Corporate Services.

The Ombudsperson began the presentation by briefing the Committee on core office activities. During the previous fiscal year, the office received 8,015 intakes and completed 256 early resolutions. A drop in the length of time for files awaiting assessment was also reported. The average length for assessment is currently between 50 and 70 days. Three reports of systemic investigations were also released, including two on the closing of a residential care facility and one on funding of temporary care beds by Fraser Health Authority. In addition, Members heard about recent efforts undertaken by the office to develop best practices, systemic investigations, and public outreach.

Turning to the budget submission for 2013/14, the Ombudsperson stated that an increased operating budget of $5.615 million is being sought to cover mandated salary adjustments, parental leave expenses, and building occupancy fees. In addition to this, further funding of $215,000 was also requested for two new investigative positions to address the ongoing delay in commencing investigations as part of the files-awaiting-assignment process. It was explained that these positions would allow some flexibility to support systemic investigations and allow managers to focus more on analyzing and producing reports on best practices. The Ombudsperson requested a stand-pat capital budget of $75,000.

Committee Inquiry

The inquiry focused on the Ombudsperson's public report on the closing of Cowichan Lodge, along with the request for two new investigative positions.

Closure of Cowichan Lodge

Questions were asked about the Ombudsperson's Public Report No. 48 *On Short Notice: An Investigation of Vancouver Island Health Authority's Process for Closing Cowichan Lodge*. In response to a query about the number of deaths following the closing of this seniors' residential care facility, the Ombudsperson stated that people who are in residential care facilities often suffer from dementia and/or extreme physical frailty. She added that there has been progress made both with the Vancouver Island Health Authority and the Ministry of Health to ensure that better processes are followed in the future to avoid such incidents.

Staffing Request

Asked to elaborate on the budget request for two additional investigative positions, the Ombudsperson described the system used to triage complaints, noting that priority cases are determined by managers. Two new positions, it was stated, would free up managers' resources and allow for more timely resolutions of complaints.

Conclusions and Recommendations

In recognition of the important services provided by the Office of the Ombudsperson, the Committee endorses the increased base operating budget request for 2013/14, which includes $243,000 to support existing program delivery by funding previously unfunded shortfalls and confirmed cost increases.

The Committee recommends that:

- the annual appropriation for the operating expenses of the Office of the Ombudsperson be $5,615,000 in each of the next three fiscal years;
- the Office of the Ombudsperson receive capital expenditures of $75,000 in each of the next three fiscal years.

Office of the Police Complaint Commissioner

> *"Again, I wish to remind the Committee that there is not a lot of discretionary spending in this budget; 84 percent of our budget is accounted for in fixed costs."* (Stan Lowe, Police Complaint Commissioner for British Columbia)

Background

Established under Part 9 of the *Police Act*, the Office of the Police Complaint Commissioner is mandated to ensure that complaints involving municipal police officers and departments in BC are handled fairly and impartially. The Police Complaint Commissioner is an independent officer of the Legislature who reports directly to the Legislative Assembly.

The appropriation for the office's operating expenses and capital expenditures is provided for in Vote 8 of the annual *Estimates*. Last year, the Committee recommended an operating budget of $2.996 million and a capital budget of $25,000 in each of the next three fiscal years.

Budget Submission Fiscal Years 2013/14-2015/2016

The Commissioner began the presentation by providing a summary of the office's workload and key activities. It was noted that while changes to the *Police Act* in 2010 resulted in an initial doubling of files opened each year, the office has recently seen a general reduction in admissible complaints. Members were also briefed on expenditures for adjudications and legal expenses (STOB 60). The Commissioner stated that the $225,000 in contingency funding approved last year is expected to cover expenditures, and quarterly reporting to the Committee on this item will continue.

On the proposed operating budget of $3.024 million for 2013/14, the Commissioner reported that small cost increases are expected for employee benefits (STOB 52) and building occupancy (STOB 75). An ongoing capital budget allocation of $25,000 was also requested.

Committee Inquiry

The committee inquiry focused on the proposed increase in building occupancy costs, the use of alternative dispute resolution, and the Independent Investigations Office (IIO). Other questions concerned the amortization of the capital budget and the use of video cameras by police.

Building Occupancy Costs

In response to questions about the proposed increase in building occupancy costs, it was explained that the office is located in a building shared by four other independent offices, and that operating costs set by the landlord have increased. These include costs for electricity, elevator maintenance,

janitorial services, and building taxes. One Member also questioned whether there were savings in leasing a Leadership in Energy and Environmental Design (LEED) gold certified building.

Alternative Dispute Resolution

The Commissioner was asked about increased use of alternative dispute resolution for complaints, including practices in other jurisdictions. He reported that enhanced use of alternative dispute resolution is a legacy project for the term of his appointment, and the office is starting to take a leadership role among jurisdictions where participation in such processes are voluntary. The Committee also learned that this component of the office's work is funded through the office and business expenses (STOB 65).

Independent Investigations Office

The newly-established Independent Investigations Office was the subject of several questions. For example, the Commissioner was asked if the establishment of the IIO would impact the number and complexity of files handled by the Commissioner's Office. He explained that the IIO is engaged primarily in criminal misconduct, whereas the Police Complaints Commissioner still handles professional misconduct concerns and has the ability to order external investigations. In response to a question about the establishment of the IIO and the use of new informal resolution processes, the Commissioner reported that the number of registered complaints has been dropping, in part due to the increased use of informal processes within police departments.

The Commissioner was also asked about the MOU signed by the office and the RCMP, which authorized the office to undertake reviews of investigations involving RCMP incidents prior to the establishment of the IIO. The Commissioner reported that about 16 cases remain from that period, and that the question remains unresolved whether the office can assist in terms of other matters not involving serious harm or death.

Conclusions and Recommendations

The Committee appreciates the fiscal restraint exercised by the Office of the Police Complaint Commissioner in its requested operating budget for 2013/14 and stand-pat capital budget.

The Committee recommends that:

- the annual appropriation for the operating expenses of the Office of the Police Complaint Commissioner be $3,024,000 in each of the next three fiscal years;

- the Office of the Police Complaint Commissioner receive capital expenditures of $25,000 in each of the next three fiscal years.

Office of the Representative for Children and Youth

> *"For the second consecutive year, I am coming to the Committee requesting only a stand-pat or status quo budget, and that is out of recognition for the difficult financial situation of the government of British Columbia."* (Mary Ellen Turpel-Lafond, Representative for Children and Youth, Province of British Columbia)

Background

An officer of the Legislature appointed under the authority of the *Representative for Children and Youth Act*, the Representative for Children and Youth has a three-part mandate: reviewing, investigating and reporting on the critical injuries and deaths of children in care or children receiving reviewable services from public bodies; advocating on behalf of children and their families respecting designated services; and monitoring, reviewing, and auditing the provision of designated services.

The appropriation for the office's operating expenses and capital expenditures is provided for in Vote 9 of the annual *Estimates*. Last year, the Committee recommended an operating budget of $7.317 million for 2012/13, $7.405 million for 2013/14, and $7.506 million for 2014/15. The capital budget was set at $140,000 for 2012/13, and $30,000 for each of 2013/14 and 2014/15.

Budget Submission Fiscal 2013/14 – 2015/16

On November 20, 2012, the Committee met to review the office budget submission for the next three fiscal years. Appearing on behalf of the office were Mary Ellen Turpel-Lafond, Representative for Children and Youth; Jeremy Berland, Deputy Representative; and Tanis McNally-Dawes, Manager of Finance and Facilities.

The Representative began the presentation with an update on key activities. On advocacy, the Representative reported that 1,920 cases were opened in 2011/12, an increase of 11 percent over the previous year. In the area of critical injury and death reviews and investigations, screening has been completed for the 1,012 critical injuries and 464 deaths reported to the office between its inception in June, 2007 and May 31, 2012. Thirteen critical injuries have been identified for full investigation.

Turning to work for the current and coming fiscal years, the Representative stated that the office continues to have very serious concerns about the integrated case management system used by several front-line ministries. The office has been receiving troubling reports on the system and anticipates that there will be continuing work in this area next year which may require additional resources. She also suggested that an increased budget may be required if her mandate is extended to include advocacy supports for 19 to 24 year olds transitioning into Community Living BC, a change endorsed by both the Premier and the Select Standing Committee on Children and Youth.

On the budget request for 2013/14, the Representative stated that she is seeking a stand-pat budget of $7.317 million for operating expenses and an increased capital budget of $190,000 for office space costs, equipment and furniture, information system upgrades, and tenant improvements.

Committee Inquiry

Topics raised during the committee inquiry included the integrated case management system, child vulnerability, and the capital budget request. Other questions were asked about the children in care, the BC domestic violence strategy, and the number of critical injuries reported to the office.

Integrated Case Management System

Members queried about the office's plans to monitor the integrated case management system. The Representative stated that the office has been inundated with cases and it has been clearly demonstration that the system is not working. The Deputy Representative described some of the specific problems, adding that it is difficult to do a proper assessment of the system until it becomes stable. The office is working with the Ministry of Children and Family Development on this issue.

Child Vulnerability

Asked to comment about evidence of increased percentage of children entering kindergarten with developmental delays, the Representative stated that there is a cohort of children that arrive at school with developmental issues. Members heard that there are a number of underlying factors and stronger remediation strategies are immediately needed.

Capital Budget

The Chair inquired about the proposed capital budget of $190,000 for 2013/14, noting that $30,000 was requested in last year's budget proposal for planning purposes. Members learned that there were plans to move offices with expiring leases in Prince George and Burnaby in the current fiscal year. The decision, however, was made to defer these moves until next year and approximately $100,000 of the current capital budget of $140,000 will not be spent as a result.

Conclusions and Recommendations

The Committee appreciates the request for a stand-pat operating budget for 2013/14. Recognizing that the office is likely to bear moving expenses for two of its locations, a modest capital budget for related expenses comparable to that of the other independent offices is considered feasible.

The Committee recommends that:

- the annual appropriation for the operating expenses of the Office of the Representative for Children and Youth be $7,317,000 in each of the next three fiscal years;
- the Office of the Representative for Children and Youth receive capital expenditures of $150,000 in 2013/14, $30,000 in 2014/15 and $30,000 in 2015/16.

Documents Submitted

Office of the Auditor General

2011/12 Annual Report and 2012/13 – 2014/15 Service Plan

Strategic Plan 2011-2015

2013/14 Estimate of Resources, November 2012

Office of the Conflict of Interest Commissioner

Annual Report 2011

Budget Proposal Fiscal Years 2013/14 – 2015/16, Presented to the Select Standing Committee on Finance and Government Services, Legislative Assembly of British Columbia, November, 2012

Elections BC

Annual Report 2011/12 and Service Plan 2012/13 – 2014/15

Budget Proposal 2013/14 – 2015/16

Special Funding Requirements 2012/13 [Presented to Committee at September 25, 2012 meeting]

Correspondence from Keith Archer, Ph.D, Chief Electoral Officer to Douglas Horne, MLA, Chair, Select Standing Committee on Finance and Government Services, August 9 and 24, 2012

Correspondence from Douglas Horne, MLA, Chair, Select Standing Committee on Finance and Government Services to Hon. Michael de Jong, Minister of Finance, September 27, 2012

Correspondence from Michael de Jong, Q.C., Chair, Treasury Board to Douglas Horne, MLA, Chair, Select Standing Committee on Finance and Government Services, October 19, 2012

Office of the Information and Privacy Commissioner (OIPC); Office of the Registrar of Lobbyists (ORL)

OIPC *2011-12 Annual Report*

ORL *2011-2012 Annual Report*

OIPC-ORL *Service Plan Fiscal Years 2014-2016*

OIPC-ORL Budget Submission Fiscal Years 2013/14 – 2015/16, Presented to the Select Standing Committee on Finance and Government Services, Legislative Assembly of British Columbia, November 20, 2012

Progress Report on the Implementation of the Commissioner's Expanded Statutory Mandate Submitted by Elizabeth Denham, Information and Privacy Commissioner to Douglas Horne, Chair, Select Standing Committee on Finance and Government Services, July 23, 2012

Office of the Merit Commissioner

2011/2012 Annual Report

Service Plan Fiscal Years 2013/2014 – 2015/2016

Budget Submission Fiscal Years 2013/2014 - 2015/2016, Presented to the Select Standing Committee on Finance and Government Services, Legislative Assembly of British Columbia, November 14, 2012

Office of the Ombudsperson

Annual Report 2011/12

Service Plan Fiscal Years 2013/2014 – 2015/2016

Strategic Plan 2010-2014

Open Meetings: Best Practices for Local Governments (Special Report No. 34, September 2012)

Budget Submission Fiscal Years 2013/2014 – 2015/2016, Presented to the Select Standing Committee on Finance and Government Services, November 20, 2012

Office of the Police Complaint Commissioner

2011 Annual Report

Service Plan Fiscal Years 2013/14 – 2015/16

Budget Submission Fiscal Years 2013/14 – 2015/16, November 14, 2012

Quarterly Reports on Legal Expenditures re *Police Act* Submitted by Stan T. Lowe, Police Complaint Commissioner to Select Standing Committee on Finance and Government Services, April 20, July 5 and October 12, 2012

Office of the Representative for Children and Youth

2011/12 Annual Report and 2012/13 – 2013/14 Service Plan

Budget Submission Fiscal 2013/14 – 2015/16, Presented to the Select Standing Committee on Finance and Government Services, Legislative Assembly of British Columbia, November 20, 2012